

AUDITING PROCEDURES REPORT

Issued under P.A. 2 of 1968, as amended. Filing is mandatory.

Local Government Type: <input type="checkbox"/> City <input checked="" type="checkbox"/> Township <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Government Name: <u>Charter Township of Redford 17th District Court</u>	County Wayne
Audit Date March 31, 2006	Opinion Date May 30, 2006	Date Accountant Report Submitted To State: August 7, 2006	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:


1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations.

You must check the applicable box for each item below:

- | | |
|---|---|
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements. |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980). |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended). |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act. |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91] or P.A. 55 of 1982, as amended [MCL 38.1132]) |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit. |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year). |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241). |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95). |

We have enclosed the following:	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Reports on individual federal assistance programs (program audits).	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Single Audit Reports (ASLGU).	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Certified Public Accountant (Firm Name): PLANTE & MORAN, PLLC			
Street Address 1000 Oakbrook Dr., Suite 400	City Ann Arbor	State MI	ZIP 48104
Accountant Signature 			

**District Court Funds of District No. 17
Charter Township of Redford
Wayne County, Michigan**

**Financial Report
with Supplemental Information
March 31, 2006**

District Court Funds of District No. 17

Charter Township of Redford

Contents

Report Letter	I
Basic Financial Statements	
Balance Sheet	2
Notes to Financial Statements	3-4
Supplemental Information	5
Schedule of Cash Receipts and Disbursements	6



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Independent Auditor's Report

To the Judges of the 17th District
Charter Township of Redford
Wayne County, Michigan

We have audited the accompanying basic financial statements of the District Court Funds of District No. 17 (a component unit of the Charter Township of Redford, Michigan) as of March 31, 2006. These financial statements are the responsibility of the management of District Court No. 17, Charter Township of Redford. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the District Court Funds of District No. 17, Charter Township of Redford as of March 31, 2006, in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements. The accompanying supplemental information, as identified in the table of contents, is presented for the purpose of additional analysis and is not a required part of the basic financial statements. The supplemental information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The accompanying financial statements do not present a management's discussion and analysis, which would be an analysis of the financial performance for the year. The Governmental Accounting Standards Board has determined that this analysis is necessary to supplement, although not required to be a part of, the basic financial statements.

Plante & Moran, PLLC

May 30, 2006

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District Court Funds of District No. 17

Charter Township of Redford

Balance Sheet March 31, 2006

	Trust and Agency Account	Bond Account
Assets - Cash and cash equivalents	<u>\$ 446,643</u>	<u>\$ 160,889</u>
Liabilities		
Returnable bonds	\$ -	\$ 159,140
Due to State Treasurer	99,846	-
Due to District Control Unit	331,969	1,749
Due to other governmental units	8,413	-
Due to Secretary of State	<u>6,415</u>	<u>-</u>
Total liabilities	<u>\$ 446,643</u>	<u>\$ 160,889</u>

District Court Funds of District No. 17

Charter Township of Redford

Notes to Financial Statements
March 31, 2006

Note 1 - Significant Accounting Policies

The funds of District Court No. 17, Charter Township of Redford (the "District Court") are Agency Funds. The financial activities of the funds are limited to collection of amounts that are subsequently returned or paid to third parties. Agency Funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations.

Note 2 - Cash

Michigan Compiled Laws, Section 129.91, authorizes local governmental units to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations that have offices in Michigan. The District Court is allowed to invest in bonds securities and other direct obligations of the United States or any agency or instrumentality of the United States; repurchase agreements; bankers' acceptance of United States banks; commercial paper rated within the two highest classifications, which matures not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions, which are rated as investment grade; and mutual funds composed of investment vehicles that are legal for direct investment by local units of government in Michigan.

The District Court has designated one bank for the deposit of District Court funds. The investment policy adopted by the City Council in accordance with Public Act 196 of 1997 has authorized investment in bonds and securities of the United States government, bank accounts and CDs, and such obligations, bonds, and securities as permitted by the statutes of the State of Michigan.

Custodial Credit Risk of Bank Deposits - Custodial credit risk is the risk that in the event of bank failure, the District Court's deposits may not be returned to it. The District Court does not have a deposit policy for custodial credit risk. At year end, the District Court had \$376,350 of bank deposits (checking accounts) that were uninsured and uncollateralized. The District Court believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all deposits. As a result, the District Court evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

District Court Funds of District No. 17

Charter Township of Redford

Notes to Financial Statements
March 31, 2006

Note 2 - Cash (Continued)

Credit Risk - State law limits investments in commercial paper to the top two ratings issued by nationally recognized statistical rating organizations. The District Court has no investment policy that would further limit its investment choices. As of year end, the credit quality ratings of debt securities (other than the U.S. government) are as follows:

<u>Investment</u>	<u>Fair Value</u>	<u>Rating</u>	<u>Rating Organization</u>
Comerica J-Fund	\$ 128,913	AI, PI	S&P, Moody's

Supplemental Information

District Court Funds of District No. 17

Charter Township of Redford

Schedule of Cash Receipts and Disbursements

Year Ended March 31, 2006

	Trust and Agency Account	Bond Account
Cash and Cash Equivalents - April 1, 2005	\$ 485,727	\$ 143,399
Receipts		
Fines, fees, and court costs	4,474,855	-
Bonds posted	-	879,295
Restitution	-	86,660
Work programs	56,542	-
Intensive supervision/probation and community service	207,931	-
Alcohol screening	21,813	-
Building fund	193,629	
Interest	2,608	1,749
Total receipts	4,957,378	967,704
Disbursements		
Transfers to District Control Unit	3,626,321	734
State Treasurer	1,209,515	-
Secretary of State	72,541	-
Other governmental units	82,632	-
Bond forfeitures and transfers	-	737,871
Bond returns	-	112,478
Restitution	-	88,213
Garnishments and execution	-	10,918
Bonds reinstated	5,453	-
Total disbursements	4,996,462	950,214
Cash and Cash Equivalents - March 31, 2006	<u>\$ 446,643</u>	<u>\$ 160,889</u>